

**TOWN OF HAMILTON
BOARD OF SELECTMEN
EXECUTIVE SESSION
JANUARY 14, 2013**

The Board of Selectmen held an executive session at Hamilton Town Hall at 9:22 p.m. on Monday, January 14, 2013 with David Neill, Marc Johnson, Jennifer Scuteri, Jeff Stinson and Jeff Hubbard present. Town Manager Michael Lombardo was also present.

Contract Negotiation – Town Manager

Town Manager Michael Lombardo said his sentiment about the contract negotiation was it could be wrapped up in a couple of sessions. He described to the Board how he is working on a one-page document of proposed red-line changes related to his existing initial contract (i.e., deleting moving expenses) that would be used as part of this contract negotiation.

He described the contract negotiation process as open conversation between the Town manager and the Board unless the Selectmen wanted to caucus without him in the room. Lombardo noted that in labor negotiations the two entities reach a tentative agreement in concept and once total contract is agreed to and written up the process moves forward. He said this is not the same as a collective bargaining agreement with written ground rules.

Jennifer Scuteri suggested that once sections are agreed upon in the contract then the Board and Town manager would not go back to those unless it is within a give and take scenario. Lombardo offered to be responsible for drafting agreed upon contract for the two entities to review. He recommended that it is helpful to have offers exchanged in writing so they are working from a document.

Marc Johnson said there were not a lot of moving pieces in the existing contract and he did not see changing the scope of work. Board members noted that the job duties for the Town manager are set forth by the Special Act. Johnson suggested there should be more regular sessions between the Town manager and Board of Selectmen chair to evaluate progress and address issues. Lombardo said that could be done without including it in the contract. Johnson said expense reimbursement and contract information are what would be included.

Scuteri suggested that as the Board manages the Town manager's position there should be more than one review with a performance review more frequently as much as quarterly as a communication tool and these reviews would not be tied into compensation review. Lombardo thought a performance review twice a year was the industry standard and said there could be more frequent formal reviews of goals and objectives. He added that the contract would outline what he is measured on relative to his performance.

Discussion ensued about importance of no surprises at the employee's annual review and twice a year formal review especially six months before termination of contract. Scuteri offered to locate some of the town manager contracts she had reviewed from other municipalities.

Jeff Hubbard thought the Board of Selectmen should meet as a group as part of the Town manager contract process. Lombardo agreed that the two entities should hold a special meeting that exclusively focuses on the Town manager's contract at night or on a Saturday morning for a couple of hours. Johnson said it is important to formalize the semi-annual review but there were not many other issues.

Lombardo summarized his three issues as:

- Term of contract – three years similar to the current contract,
- Request for monetary adjustment that could be a lump sum amount especially in light of the fact that he had foregone taking Town's health insurance and he plans to stay off plan,
- Six months to a year of severance pay versus three months if employment is terminated for no cause since this reflects reality for finding another job in competitive municipal government field.

Lombardo said once the Board approves the Town manager's contract he would like the term to begin from the time the agreement is reached not the end of the existing contract.

He referred to politics related to his dismissal in Iowa that was not based on cause and his willingness to come into Hamilton position at a lower dollar amount to prove his credibility which he has done in his time working in Town. Also, he expressed concern about any future possibility of political volatility impacting his employment and his interest in a longer period of severance time other than three months so he can provide for his family while he undertakes a job search if that becomes necessary.

Discussion ensued about \$12,000 to 14,000 being the amount the Town manager suggested the Town would pay if he took Hamilton's health insurance. The proposed lump sum would be a one-time sum not built into the salary and pension calculation. Discussion also focused on if this lump sum amounts to a 2% increase over three years.

Discussion addressed if the two entities should structure language relative to Lombardo's interest in leaving his option to take the health insurance open if that becomes necessary for his family (\$4,000 a year over three years). Scuteri raised the issue of ramifications if Lombardo breaks the contract and the Town opts to give Lombardo the lump sum upfront. Johnson said the benefit for the Town would be no change in the base salary. Lombardo receives cola of 1.5% and that would continue in the future.

Lombardo expressed his interest in a three-year contract and hope to extend his contract as long as a decade in consideration of supporting his family and getting his children through or off to college.

The Board then agreed to caucus on the Town manager's contract and Lombardo left the room. David Neill and Jeff Stinson said they were not in favor of one-year severance pay proposal. Stinson added that he was not in favor of 2.5% annual increase through lump sum since that would be a bonus for outstanding performance. Scuteri thought Lombardo did not expect twelve months severance pay. Discussion ensued about Board members difference of opinion relative to what private sector offers in severance pay.

Board agreed about the nature of the Board of Selectmen for the Town manager is ever changing bosses and impact of local politics. Scuteri explained that the Board has committed to move forward with Lombardo in the contract negotiation process unless this falls apart based on substantive disagreement. Board thought Lombardo would agree to six month's severance pay. Discussion was about \$12,000 for health insurance that Town is saving since Lombardo is not taking this benefit.

Discussion ensued about Hubbard thinking that Lombardo's contract should not be renewed. Stinson reiterated that when he agreed to move forward with the Town manager's contract negotiation, he had concerns that centered on Lombardo's personality when he addresses personnel issues and interacts with public. Stinson suggested that within the first year of a new contract steps should be taken to rectify Lombardo's personnel issue. Scuteri said this has to become a

specific action item in the contract. Discussion ensued about how difficult it is to fire someone for cause and that none of the actions taken by Lombardo to date would elevate to that.

Discussion ensued about term of contract for three years. Scuteri suggested that a two-year contract could be considered in light of the personnel issues and that Lombardo would have to be committed to change those. Stinson concurred. Scuteri said the message to Lombardo is resolution of personnel issues although she acknowledged his performance was fabulous otherwise. Board noted that Lombardo needs interpersonal training and to communicate more effectively.

Scuteri suggested that content of the contract is a message to the public and she did not want to include information in the contract that would prompt Lombardo to undertake a job search so she had some concern about two year contract. She added that if a three year contract was agreed to it should contain action items related to Lombardo's growth. Johnson thought there should be language in a three-year contract on the semi-annual meetings to address Lombardo's need for personnel management growth.

Discussion ensued about how important it is for Lombardo to run the Town and that he should not be disregarded by anyone due to the length of his contract. Also addressed was how Lombardo receives colas and that his salary is in line with department heads and comparable towns for a complicated job. Johnson said the pay is not out of scale and that there has to be a balance with colas and proposed lump sum. He noted that \$12,000 over three years would be a 3.2% increase annually for the length of the contract.

Neill said he was comfortable with six months severance if Lombardo were fired without cause. Scuteri said in the research she did of Lombardo before he began working in Hamilton there was the personnel issue cited as a weakness as has been seen in his tenure in Hamilton but his strengths have been evident as well. She added that Lombardo has to acknowledge the personnel issue. Johnson thought Lombardo's relationship with people had been better in the last six months. Neill said Lombardo is addressing this with some groups and has asked Neill to be present at some meetings. He reiterated the Board's interest in Lombardo getting personnel training. Hubbard said the employee has to take ownership that there is a problem to address. Neill and Scuteri said they have addressed this directly with Lombardo.

Board members thought they needed time to think about the contract items that the Selectmen discussed before communicating specifics with Lombardo. Lombardo returned to the meeting. Neill outlined for Lombardo that the Board had not made any decisions relative to its conversation about the Town manager's contract on the three issues raised by Lombardo. He noted that the Board wanted time to consider its conversation. Discussion ensued about trying to get the contract negotiation completed before the existing contract expires in April. The Board agreed to resume the discussion on the Town manager's contract on Monday, January 28th. Johnson asked Lombardo to send his red-lined version of his existing contract to the Board so Selectmen can read draft language. Neill said the Board would read the document and may be ready to make decisions on the contract on January 28th.

Neill entertained a motion to adjourn executive session at 10:22 p.m. Hubbard so moved. Stinson seconded motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____



Clerk

